



CALIFORNIA STATE
PUBLIC WORKS BOARD

EDMUND G. BROWN JR. • GOVERNOR

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STATE PUBLIC WORKS BOARD
October 24, 2014

Minutes

PRESENT:

Ms. Eraina Ortega, Chief Deputy Director, Department of Finance
Mr. Esteban Almanza, Chief Deputy Director, Department of General Services
Mr. Malcolm Dougherty, Director, Department of Transportation
Mr. Tom Yowell, Chief Administrative Officer, State Controller's Office
Mr. Blake Fowler, Director, Public Finance Division, State Treasurer's Office

CALL TO ORDER AND ROLL CALL:

Ms. Eraina Ortega, Chairperson of the Board called the meeting to order at 2:00 p.m.
Ms. Aurelia Bethea, Executive Assistant for the Board, called the roll. A quorum was established.

Bond Items:

The first order of business was three Bond Items related to the Board's second fall bond sale. Mr. Rogers introduced the Bond Items 1, 2, and 3 related to the Board's November bond sale, 2014 Series G, H, and I. If approved, the bonds would be priced November 5th and 6th, and close November 18th. The total estimated Par Amount of the bonds to be issued is \$240.5 million, and the proceeds would be used to refund bonds previously issued by the Board for debt service savings.

The Board will be asked to approve and adopt 3 Resolutions, one for each of series of bonds to be issued. These resolutions, if approved and adopted, authorize the issuance and sale of the specified Series of Bonds of the State Public Works Board for purposes of refunding previously issued bonds for debt service savings.

BOND ITEM #1

Mr. Rogers stated Bond Item #1 was for the Department of Corrections and Rehabilitation, California Substance Abuse Treatment Facility and State Prison at Corcoran. Approval and adoption of the Resolution for Bond Item #1 would also approve the form of and authorize the execution of the 128th Supplemental Indenture to the Board's Master Indenture as well as the other forms previously mentioned, including a fourth amendment to the Facility lease.

The estimated PAR value of the 2014 Series G bonds was \$140.2 million and the estimated True Interest Cost was 1.5%, with a not to exceed PAR of \$147.6 million and a not to exceed True Interest Cost of 2.8%. The estimated net present value savings was \$13.4 million with an estimated 9.1% savings of the refunded bonds.

Staff recommended adoption of the resolution. There were no questions from the Board or the Public.

A motion was made by Mr. Yowell and seconded by Mr. Dougherty to approve Bond Item #1.

Ms. Bethea called a roll:

Ayes

Ms. Eraina Ortega, Chief Deputy Director, Department of Finance
Mr. Esteban Almanza, Chief Deputy Director, Department of General Services
Mr. Malcolm Dougherty, Director, Department of Transportation
Mr. Tom Yowell, Chief Administrative Officer, State Controller's Office
Mr. Blake Fowler, Director, Public Finance Division, State Treasurer's Office

Noes

None

Bond Item #1 was approved by a 5-0 vote.

BOND ITEM #2

Bond Item #2 was for the 2014 Series H refunding bonds for the Department of Corrections and Rehabilitation and Department of Technology. Approval and adoption of the Resolution for Bond Item #2 also approves the form of and authorizes the execution of the 129th Supplemental Indenture to the Board's Master Indenture as well as the other forms previously mentioned, including a Termination agreement.

The estimated PAR value of the 2014 Series H bonds is \$80.3 million and the estimated True Interest Cost is 2.5%, with a not to exceed PAR of \$90.2 million and a not to exceed True Interest Cost of 4.5%. The estimated net present value savings is \$16.9 million with an estimated 17.7% savings of the refunded bonds

Staff recommended adoption of the resolution. There were no questions from the Board or the Public.

A motion was made by Mr. Dougherty and seconded by Mr. Yowell to approve Bond Item #2.

Ms. Bethea called a roll:

Ayes

Ms. Eraina Ortega, Chief Deputy Director, Department of Finance
Mr. Esteban Almanza, Chief Deputy Director, Department of General Services
Mr. Malcolm Dougherty, Director, Department of Transportation
Mr. Tom Yowell, Chief Administrative Officer, State Controller's Office
Mr. Blake Fowler, Director, Public Finance Division, State Treasurer's Office

Noes

None

Bond Item #2 was approved by a 5-0 vote.

BOND ITEM #3

Bond Item #3 was for the 2014 series I refunding bonds for the Hospital Addition at Atascadero State Hospital. Approval and adoption of the Resolution for Bond Item #3 also approves the form of and authorizes the execution of the 130th Supplemental Indenture to the Board's Master Indenture as well as the other forms previously mentioned, including a first amendment to the Transfer Agreement and a second amendment to the Facility Lease.

The estimated PAR value of the 2014 Series I bonds is \$19.9 million and the estimated True Interest Cost is 2.5%, with a not to exceed PAR of \$22.3 million and a not to exceed True Interest Cost of 4.4%. The estimated net present value savings is \$3.9 million with an estimated 16.4% savings of the refunded bonds

Staff recommended adoption of the resolution. There were no questions from the Board or the Public.

A motion was made by Mr. Almanza and seconded by Mr. Fowler to approve Bond Item #3.

Ms. Bethea called a roll:

Ayes

Ms. Eraina Ortega, Chief Deputy Director, Department of Finance
Mr. Esteban Almanza, Chief Deputy Director, Department of General Services
Mr. Malcolm Dougherty, Director, Department of Transportation
Mr. Tom Yowell, Chief Administrative Officer, State Controller's Office
Mr. Blake Fowler, Director, Public Finance Division, State Treasurer's Office

Noes

None

Bond Item #3 was approved by a 5-0 vote.

The Chair thanked the Mr. Yowell and Mr. Fowler for attending the meeting.

ACTION ITEM:

The next order of business was the Action Item

Action Item #1 was for the High Speed Rail Authority, Initial Operating Segment, Section 1, Seven Property Condemnations in Madera and Fresno Counties. Ms. Sally Lukenbill informed the Board that if approved, Action Item #1 would adopt Resolutions of Necessity authorizing the use of eminent domain to acquire seven properties totaling approximately 7.8 acres. Ms. Joann Georgallis, acting as Counsel to the Board, presented the Resolution of Necessity.

Staff recommended adoption of the Resolutions of Necessity authorizing the use of eminent domain to acquire the properties.

There were no comments or questions from the Board or the public regarding this item.

A motion was made by Mr. Dougherty and seconded by Mr. Almanza to adopt the staff recommendations for Action Item #1. The staff recommendation was adopted by a 3-0 vote.

NEXT MEETING:

Ms. Ortega informed the public that the next Board meeting was scheduled for Friday, November, 14 at 10:00 am in the **State Capitol, Room 113**.

Ms. Ortega asked if there were any comments or questions from the Board or the public. Ms. Shelli Andranigian addressed the Board by reading a letter which she had also presented to the High Speed Rail Authority Board regarding the Authority's appraisers and the Williamson Act. Ms. Ortega committed that staff would provide these letters to the High Speed Rail Authority. Mr. Frank Oliveira also addressed the Board regarding the letter he provided the Board regarding an August 8th Agenda Item which the Board previously responded too. Ms. Ortega stated staff were working on an information document that would describe the Board's site selection and acquisition process.

There were no further comments or questions from the public.

This meeting concluded at 10:34AM.